

Message Text

CONFIDENTIAL

PAGE 01 STATE 281092

63

ORIGIN EUR-03

INFO OCT-01 ISO-00 /004 R

66616

DRAFTED BY EUR/IB:WBKELLY

APPROVED BY EUR/IB:ALAN W. LUKENS

----- 031003

R 241903Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY LISBON

C O N F I D E N T I A L STATE 281092

FOLLOWING REPEAT OECD PARIS 30576 ACTION SECSTATE DATED
19 DEC 74

QUOTE

C O N F I D E N T I A L OECD PARIS 30576

E.O. 11652: GDS

TAGS: EUR, PO, PFOR, US, EAID

SUBJECT: US ECONOMIC ASSISTANCE TO PORTUGAL

REF: STATE 276695

1. AMBASSADOR TURNER MET WITH PORTUGUESE AMBASSADOR BELLO TODAY AND DISCUSSED WITH HIM THE THOUGHTS CONTAINED IN REFTEL AS INSTRUCTED. AMBASSADOR BELLO EXPRESSED GREAT PLEASURE ON BEHALF OF HIS GOVERNMENT FOR THIS INDICATION OF AMERICAN DESIRE TO ASSIST GOP THROUGH THE OECD. HE INDICATED THE GERMANS HAD RECENTLY EXPRESSED A SIMILAR INTEREST AND HAD REQUESTED THAT PORTUGAL BE PLACED ON A DAC LIST OF NATIONS ELIGIBLE TO RECEIVE DEVELOPMENT ASSISTANCE. BELLO ALSO INDICATED THAT TWO MEMBERS OF MIT FACULTY, WHO HE BELIEVED WERE SPECIALISTS IN ECONOMIC MANAGEMENT, HAD BEEN VERY RECENTLY RETAINED BY OECD FOR A STUDY IN PORTUGAL. HE WAS NOT ENTIRELY CLEAR ON EXACT SOURCE OR CHARACTER OF ANALYSIS TO BE UNDERTAKEN BUT SAID HE WOULD APPRISE US FORTHWITH. WE WERE SUBSEQUENTLY ADVISED BY TECO THAT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 281092

THEY HAVE CONTRACTED WITH MIT FOR A FOUR-MAN GROUP ON

A GENERAL ECONOMIC MISSION TO COMMENCE JANUARY 13TH
FOR A TWO-WEEK PERIOD.

2. SINCE HE IS LEAVING FOR A TWO-WEEK TRIP TO LISBON
ON SATURDAY, BELLO INDICATED HE WOULD REVIEW HIS DE-
TAILED NOTES OF OUR CONVERSATION WITH PORTUGUESE
AUTHORITIES AND GET BACK TO AMBASSADOR EARLY THE WEEK
OF JANUARY 5. HE EXPRESSED GREAT INTEREST IN A JOINT
APPROACH WITH US TO SECRETARY-GENERAL VAN LENNEP AT
THAT TIME RE COURSE OF ACTION THAT GOP THOUGHT WOULD BE
MOST BENEFICIAL. AMBASSADOR BELLO'S TENTATIVE THINKING,
HOWEVER, WAS THAT A COUNCIL WORKING PARTY STUDY MADE
SENSE, BUT HE ALSO STRESSED PORTUGAL'S NEED FOR ECONOMIC
MANAGEMENT ASSISTANCE GENERALLY, AS WELL AS POSSIBLE AID
IN TECHNICAL ASSISTANCE, FISHERIES, AGRICULTURE, AND
PERHAPS SOME "OVERVIEW" AREAS OF THE ECONOMY. MISSION
WILL REPORT RESULTS OF MEETING WITH AMBASSADOR BELLO
WEEK OF JANUARY 5 UPON ITS CONCLUSION.

3. IN SEPARATE MEETING TODAY ON ANOTHER SUBJECT BETWEEN
AMBASSADOR TURNER AND SECRETARY-GENERAL VAN LENNEP,
THE GENERAL QUESTION OF OECD'S ROLE IN ASSISTANCE TO
PORTUGAL WAS RAISED. SECGEN MANIFESTED CONSIDERABLE
INTEREST AND SYMPATHY IN WHAT MIGHT BE DONE THROUGH
OECD IN THIS REGARD, AND WAS AWARE RECENTLY ANNOUNCED
U.S. EFFORTS TOWARDS THIS END. AMBASSADOR LEFT WITH
HIM A COPY OF THE PRESS STATEMENT OF THE DEPARTMENT ON
ASSISTANCE TO PORTUGAL. VAN LENNEP INDICATED THAT HE
WOULD GIVE CAREFUL THOUGHT TO WHAT MODALITIES SUCH
ASSISTANCE MIGHT LOGICALLY TAKE AND LATER SAME DAY GAVE
US INFORMAL PAPER QUOTED BELOW. SECGEN HAS ALSO GIVEN
PAPER TO PORTUGUESE AMBASSADOR TO OECD WHO LEAVES PARIS
FOR CONSULTATIONS LISBON A.M. DECEMBER 21.

4. BEGIN QUOTE: A POSSIBLE FRAMEWORK FOR OECD SUPPORT
TO PORTUGAL.

1. A NUMBER OF MEMBER COUNTRIES HAVE, DURING THE AUTUMN
EXPRESSED INTEREST IN FINDING NEW AND CONCRETE WAYS OF
COOPERATION WITH PORTUGAL, FOLLOWING THE DEVELOPMENTS
THERE IN 1974. SPECIFICALLY, COUNTRIES HAVE SHOWN
INTEREST IN EXPLORING HOW SUPPORT TO PORTUGAL MIGHT BE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 281092

COORDINATED THROUGH OECD. THE POSSIBILITY OF ESTABLISH-
ING SOME FORM OF CONSULTATIVE GROUP HAS BEEN CANVASSED.
MEANWHILE CERTAIN GOVERNMENTS NOTABLY THE UNITED STATES,
GERMANY AND THE NETHERLANDS, HAVE NOW ENTERED INTO
PRELIMINARY COMMITMENTS TO ASSIST PORTUGAL.

2. ON THE PORTUGUESE SIDE, THE MINISTERS OF FINANCE
AND THE ECONOMY REQUESTED THE ORGANISATION TO PROVIDE

A GENERAL ECONOMIC MISSION UNDER THE TECHNICAL COOPERATION PROGRAMME. (1) (THIS REQUEST WAS FORMALLY CONFIRMED AT THE MEETING OF THE TECHNICAL COOPERATION COMMITTEE ON 10TH-11TH OCTOBER, 1974.) THE PRIMARY PURPOSE OF THIS MISSION OF INDEPENDENT EXPERTS IS TO ADVISE THE PORTUGUESE GOVERNMENT ON MEASURES TO BE

TAKEN IN SUCH FIELDS AS MONETARY AND FISCAL POLICY, PUBLIC INVESTMENT, PRICES AND INCOMES, AND EMPLOYMENT. THE MISSION, TO BE LEAD, AT THE REQUEST OF THE PORTUGUESE AUTHORITIES, BY PROFESSOR RICHARD ECKAUS, OF M.I.T., IS SCHEDULED TO COMMENCE IN LISBON ON 13TH JANUARY, 1975.

3. IN ADDITION, THE PORTUGUESE DELEGATION TO THE D.A.C. HIGH LEVEL MEETING IN OCTOBER ANNOUNCED WITHDRAWAL FROM D.A.C., AND THAT PORTUGAL "REGARDED ITSELF AS A COUNTRY WHICH MEETS THE CONDITIONS NECESSARY TO BENEFIT FROM THE ECONOMIC SUPPORT OF THE INTERNATIONAL COMMUNITY"

4. GIVEN THE ABOVE, THE SECRETARY GENERAL SUGGESTS THAT, IF PORTUGAL SO REQUESTS, AN AD HOC WORKING PARTY OF THE COUNCIL CHAIRED BY A HEAD OF DELEGATION BE ESTABLISHED FORTHWITH. THE INITIAL PURPOSE OF THIS WORKING PARTY COULD BE TO PROVIDE, AS OF EARLY JANUARY, AN OPPORTUNITY FOR INTERESTED MEMBER COUNTRIES TO HAVE AN INFORMAL EXCHANGE OF VIEWS ON THEIR RESPECTIVE SUPPORT FOR PORTUGAL, AND ON HOW THIS MIGHT BEST BE COORDINATED WITHIN THE OECD FRAMEWORK ON A CONTINUING BASIS.

5. A FIRST MEETING COULD BE SCHEDULED TO TAKE PLACE
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 281092

BEFORE THE ECONOMIC MISSION STARTS WORK IN JANUARY.
ITEMS FOR DISCUSSION MIGHT BE:

- A) INFORMAL EXCHANGE OF INFORMATION ON MEMBER COUNTRIES' AND THE EEC'S COMMITMENTS OR INTENTIONS TO SUPPORT PORTUGAL, AND THEIR UNDERSTANDING OF THE COUNTRY'S ASSISTANCE REQUIREMENTS;
- B) POSSIBILITIES FOR SUPPORT IN RESPECT OF PORTUGAL'S OVERSEAS CO-MITMENTS;
- C) CURRENT OECD ACTIVITIES HAVING A SPECIFIC REFERENCE TO PORTUGAL. THIS COULD INCLUDE THE FORTHCOMING ECONOMIC MISSION, TECHNICAL COOPERATION ACTIVITIES (ABOUT \$400,000 IN 1975 OF WHICH 75 PERCENT IS FINANCED BY PORTUGAL), THE CURRENT AGRICULTURAL POLICY REVIEW, THE

FORTHCOMING GENERAL REVIEW OF OECD WORK ON
MIGRATION, ONGOING ANALYSIS BY THE ECONOMICS
AND STATISTICS DEPARTMENT SINCE THE JULY EDRC
REVIEW, AND RELEVANT DISCUSSIONS IN DAC.

6. PROCEDURALLY, FOR SUCH AN AD HOC WORKING PARTY TO
BE SET UP, A FORMAL REQUEST BY PORTUGAL WOULD NEED TO
BE MADE IN COUNCIL TOMORROW, AND APPROPRIATE SUPPORT
GIVEN BY MEMBER COUNTRIES. END QUOTE.

TURNER

UNQUOTE

KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, ECONOMIC DEVELOPMENT, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE281092
Document Source: CORE
Document Unique ID: 00
Drafter: WBKELLY
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740374-0774
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741211/aaaaajkx.tel
Line Count: 180
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 74 STATE 276695
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2002 by boyleja>; APPROVED <25 MAR 2003 by ShawDG>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US ECONOMIC ASSISTANCE TO PORTUGAL
TAGS: PFOR, EAID, PO, US, (BELLO)
To: LISBON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005